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MONTHLY STATISTICAL SUMMARY

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PAPER AND PAPERBOARD PRODUCTION LEVELS OFF

The decline in the production of paper and paperboard evident during the spring and early summer months appears to have leveled off in August at a rate a little above 60 million tons a year. This puts the drop from the first quarter high to the July-August level, on a seasonally adjusted basis, at about 9%. The August rate of production was above that of July, and estimates based on weekly data for the first three weeks of September suggest further gains in production, perhaps to the 62.5 million tons per year rate for that month.

Among the paper grades, the largest declines were evident in the packaging grades, where the July-August rate, on a seasonally adjusted basis, was down about 13%, and in the tissue grades, which showed a similar decline. The rate of printing paper production fell 8% in that period.

The rate of newsprint production was at record highs in the July-August period, about 9% above its first quarter level. Strength in domestic newsprint production, as noted in earlier reports, reflected the impact of new mills coming on stream during the past twelve months, together with the effect of strikes at newsprint mills in Canada. These strikes led newspapers to increase their inventories from 34 days of

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supply at the end of 1979 to 45 days of supply as of the end of August 1980. The inventory increase amounted to about 350,000 tons in that eight month period, which brought the level of inventories back to where it was in mid-1978. The consumption of newsprint at newspapers, as estimated by the Canadian Pulp and Paper Association, held close to 1979's record high of 11 million tons throughout the first eight months of 1980.

Solid wood pulp paperboard production held up well throughout the spring and summer months, sustained by some inventory accumulation and a strong demand for exports. Recycled paperboard production, however, declined sharply; the rate in the July-August 1980 period was about 14% below that of the first quarter of the year.

Imports and Exports

Imports of newsprint held up well in the second quarter of 1980 in line with strong U.S. demand for this grade. Imports of printing/writing papers, on the other hand, showed a rather sharp decline during those months as did imports of packaging and other papers. For the entire first half of 1980, newsprint imports, at 7.7 million tons per year, showed a 6.4% gain over the year-ago total, but the declines in the imports of other paper held the gain in total imports of paper, paperboard and products to 2.5%.

In July 1980 imports of newsprint and of most other grades of paper and paperboard dropped sharply; the rate for all grades was under 8 million tons per year, compared to the 9.4 million tons per year rate of the first half of 1980. For the entire January-July period, imports of printing/writing grades were 31% below their year-ago level; imports of packaging and other types of paper were down 41%. The seven month newsprint total, however, was still 5% ahead of its year-ago level, which contributed to a modest gain in total imports of paper and paperboard over their year-ago rate.

A similar pattern was evident in imports of wood pulp. Imports of wood pulp averaged 361,000 tons a month in the first half of 1980, which was close to its year-ago level. In July wood pulp imports dropped to 285,000 tons, bringing the seven month total to a level 3% below that of the first seven months of 1979.

Exports of paper and paperboard remained strong throughout the first half of the year, and rose to a record-high level in July. Exports of paper, paperboard and products first crossed the 400,000

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PAPER AND PAPERBOARD STATISTICS

PRODUCTION, SHIPMENTS AND ORDERS

(Thousands of Tons)

	YEAR 1978	YEAR 1979	MAY 1980	JUNE 1980	JULY 1980	AUG. 1980	Annual Rate Y-T-D 1980	% Change from same Period Last Year
PAPER					R	P		
Newsprint - Production	3768	4062	405	393	375	412	4650	16.8
- Shipments	3779	4066	402	382	385	405	4622	16.1
Printing & Writing	14596	15368	1320	1257	1156	1271	15630	2.0
Groundwood Paper - Shipments	1354	1509	132	127	115	124	1507	0.6
- New Orders	1414	1519	105	115	118	135	1505	-2.3
- Unfilled Orders	185	149	136	119	114	133	133	-18.6
Coated Paper - Shipments	4453	4527	380	364	340	384	4599	2.0
- New Orders	4432	4547	410	357	397	392	4741	3.7
- Unfilled Orders	404	385	360	344	387	418	418	5.7
Unctd Free Sheet - Shipments	7221	7813	682	650	590	645	8046	3.2
- New Orders	7538	7826	628	579	581	592	7652	-3.3
- Unfilled Orders	754	780	668	571	583	539	539	-33.7
Thin Paper - Production *	350	376	28	28	26	28	346	-9.3
Cotton Fiber Paper - Shipments	114	125	10	9	8	9	123	-1.0
Bleached Bristols - Production	1103	1018	89	78	78	81	1009	-1.7
Tissue Paper - Production	4215	4506	378	340	311	345	4354	-4.3
Total Packaging & Other Paper	5789	5725	460	425	392	425	5494	-4.0
Unbl. Kraft Paper - Shipments	3884	3934	325	299	282	300	3816	-3.6
Other Paper - Production * ◆	1905	1791	134	126	110	125	1678	-4.8
TOTAL PAPER-Production-Unadj.	28367	29661	2563	2414	2234	2453	30128	1.8
-Production-S.A.			2518	2441	2346	2395	29906	1.4
PAPERBOARD - PRODUCTION							◆◆	
Solid Wood Pulp Furnish	22790	23838	2095	2054	1913	2046	24326	1.5
Unbl. Kraft Linerboard - Total	13228	13951	1243	1253	1172	1251	14505	4.1
Production for Export	1466	1645	175	218	240	249	2264	40.3
Other Unbl. Kraft Paperboard	1144	1200	96	84	70	80	1056	-16.4
Semichemical Paperboard	4439	4689	414	401	362	387	4814	2.0
Production for Export	119	98	8	28	30	35	218	108.4
Solid Bleached Paperboard	3979	3998	343	314	309	328	3952	-2.4
Production for Export	430	491	52	50	36	54	549	11.0
Recycled Paperboard	7485	7591	566	562	498	566	7039	-7.9
Production for Export	22	22	5	5	12	11	72	270.0
TOTAL PAPERBOARD-Prod.-Unadj.	30275	31429	2661	2615	2410	2612	31365	-0.8
- Containerboard Prod.(Dom. Use)	17908	18825	1646	1564	1405	1503	18736	-0.4
- Boxboard Production (Dom. Use)	6505	5776	465	432	415	446	5538	-5.9
- All Other P'bd Prod.(Dom. Use)	3825	4571	310	318	271	314	3989	-14.6
- Total Paperbd Prod. for Export	2037	2257	240	302	319	349	3103	39.0
TOTAL PAPERBOARD PROD. - S.A.			2489	2629	2490	2475	30871	-1.1
WET MACHINE BOARD *	136	144	8	9	8	9	124	-3.7
BUILDING PAPERS *	1915	1900	97	93	90	95	1391	-28.2
INSULATING BOARD *	1416	1422	63	73	70	75	933	-35.9
TOTAL ALL GRADES - Unadjusted	62109	64555	5391	5205	4812	5243	63941	-1.2
- Production - S.A.			5165	5241	5004	5041	63225	-1.5
HARD PRESSED BD. [not in total]*	2294	2123	124	131	140	145	1654	-23.0

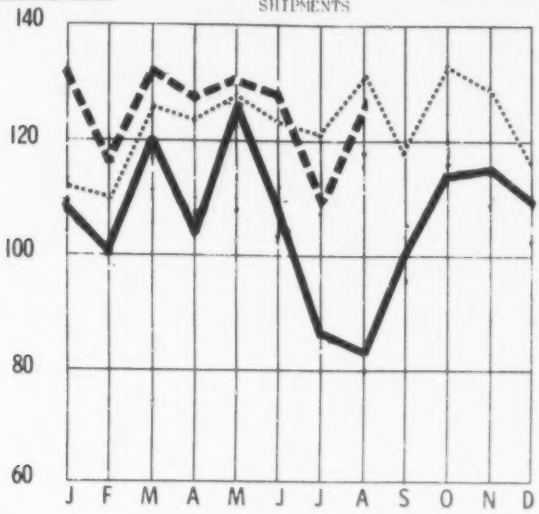
* Census Data - Production. Last two months estimated.
◆ Production excludes API bleached kraft envelope.
◆◆ Includes revisions not available monthly.
◆◆◆ Data for unbleached kraft folding boxboard for 1979 and 1980 included in All Other.

S.A. Seasonally Adjusted
P Preliminary
R Revised

THOUSANDS OF TONS

GROUNDWOOD PAPER, UNCOATED

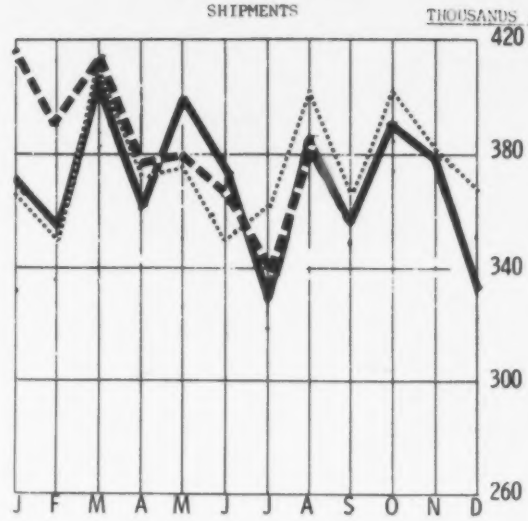
SHIPMENTS



COATED PAPER

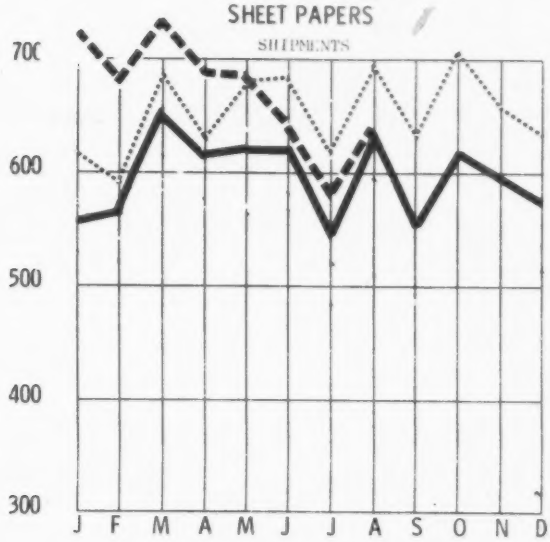
SHIPMENTS

THOUSANDS OF TONS



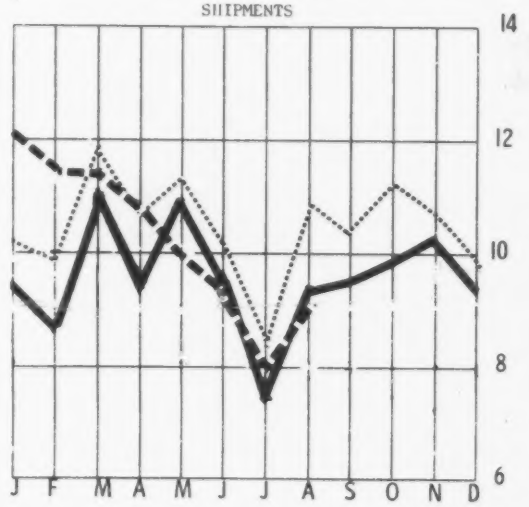
UNCOATED FREE SHEET PAPERS

SHIPMENTS



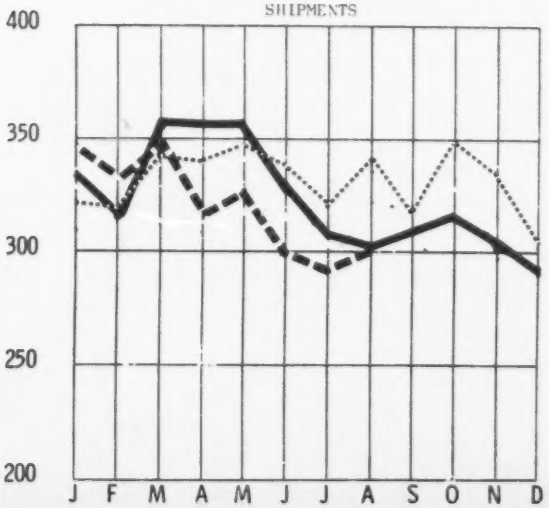
COTTON FIBER PAPER

SHIPMENTS



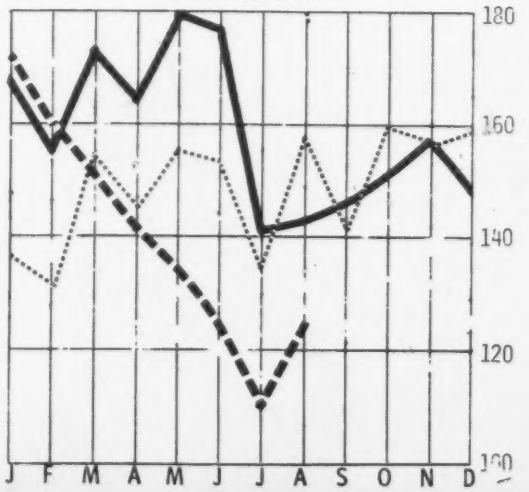
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1978 ——— 1979 ····· 1980 — — —

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1978	YEAR 1979	APRIL 1980	MAY 1980	JUNE 1980	JULY 1980	Annual Rate Y-T-D 1980	% Change from same Period Last Year
TOTAL WOOD PULP (1)					R	P		
Total Wood Pulp - Production	47228	49743	4237	4447	4307	3977	51436	4.1
- Imports	4025	4318	320	373	336	285	4204	-3.4
- Exports	2599	2935	360	317	362	356	3769	37.1
- New Supply	48653	51126	4197	4502	4281	3906	51871	1.7
Dissolving Pulp - Production	1411	1497	134	138	126	111	1564	8.9
- Imports	189	193	32	19	34	12	281	66.2
- Exports	758	764	84	58	79	73	828	13.9
- New Supply	842	926	81	99	81	51	1018	15.8
Paper Grades - Production	37893	39785	3384	3564	3453	3194	41247	4.2
Chemical Pulp - Imports	3627	3923	282	328	288	267	3750	-5.8
- Exports	1780	2100	268	254	270	279	2847	45.1
- New Supply	39740	41608	3398	3637	3472	3182	42150	1.3
Groundwood and - Production	4141	4394	375	395	386	366	4522	4.1
Thermo-Mech. - Imports	208	201	6	26	14	6	172	-13.4
- Exports	62	70	8	5	13	4	94	58.0
- New Supply	4287	4525	373	415	386	368	4601	2.6
Semi-Chemical - Production	3783	4068	345	351	342	306	4102	1.7
- Imports	0	0						
- Exports	0	0	------	Included	with	Groundwood	Pulp	------
- New Supply	3783	4068	345	351	342	306	4102	1.7
MARKET WOOD PULP								
Total Market - Production	5126	5667	543	572	547	542	6541	20.3
Wood Pulp - Imports	2816	3046	252	239	245	202	3004	-4.3
- Exports	2480	2784	298	287	321	296	3418	31.4
- New Supply	5462	5930	498	524	470	448	6127	2.5
Dissolving Pulp - Production	1406	1497	134	138	126	108	1556	8.2
- Imports	291	306	30	15	31	11	233	-30.1
- Exports	824	869	89	72	90	65	915	15.2
- New Supply	873	934	75	81	67	54	875	-10.6
Paper Grades - Production	3644	4107	403	428	414	429	4902	24.2
Chemical Pulp - Imports	2495	2734	222	223	214	191	2758	-1.5
- Exports	1613	1870	202	213	225	229	2444	38.8
- New Supply	4525	4971	423	438	403	391	5216	4.7
Groundwood Pulp - Production	76	64	7	7	7	6	83	52.5
and All Other - Imports	26	7	0	1	0	0	13	114.3
- Exports	42	46	8	2	7	2	59	27.7
- New Supply	59	25	0	5	0	4	37	161.0

(1) Prodctn excludes defibrated, exploded & screenings-(000 tons): 1978 - 3,140; 1979 - 3,018; A.R.Y-T-D'80 - 2,222
SOURCES: Total Wood Pulp Imports & Exports - Department of Commerce. Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp & Raw Materials Group, API.

FIBROUS RAW MATERIALS
(Thousands of tons)

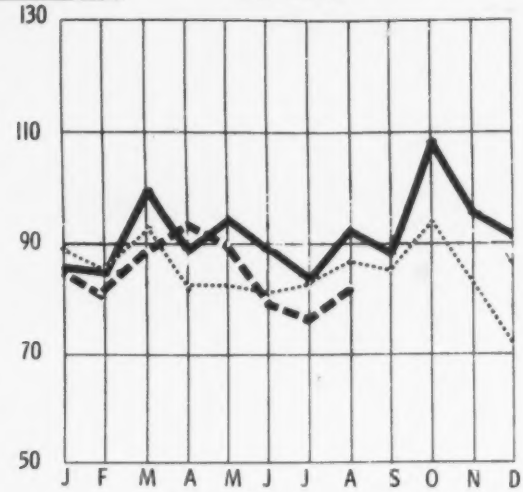
CONSUMPTION AT PAPER & BD. MILLS					R	P		
Total	63449	66199	5281	5585	5326	4854	65140	-0.1
Total Wood Pulp (2) A	47911	50156	4070	4351	4174	3780	50247	0.5
Market Wood Pulp A	4774	5031	410	361	375	350	4788	-5.8
Waste Paper (3) A	14760	15400	1157	1185	1109	1034	14299	-1.5
Rags, Straw & Other C, E	778	643	53	49	43	40	593	-9.7
INVENTORIES								
Wood Pulp at Pulp Mills A	130	107	131	126	141	117	117	0.9
Market Pulp at Pulp Mills A	187	132	160	179	190	0	0	0.0
Mkt Pulp at Ppr.& Bd. Mills CE	435	426	471	485	462	520	520	18.3
Waste Ppr.at Ppr.&Bd. Mills (4)	740	798	818	786	822	934	934	11.7
Rags, Straw and Other at Paper and Board Mills C, E	66	61	57	58	59	65	65	-5.8
Mkt Wood Pulp Days of Supply A	44	38	43	53	48	43	43	4.2
Wood Pulp Consumption at at Non-Paper Mills C, E	884	909	70	68	70	65	843	-8.2

A - Pulp & Raw Materials Group, API; C - Bureau of the Census; E - Most Recent Month Estimated by API
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons
(2) Excludes consumption of defibrated & exploded pulp for hard pressed bd.(000 tons): 1978 - 1,666; 1979 - 1,593
(3) Census Waste Paper Consumption, (000 tons): 1978 - 12,481; 1979 - 12,962; Jan-Jun '80 A.R. - 12,702
(4) Census data prior to 1979; more recent data are from the Paper Stock Conservation Committee, A.P.I.

BLEACHED BRISTOLS

PRODUCTION

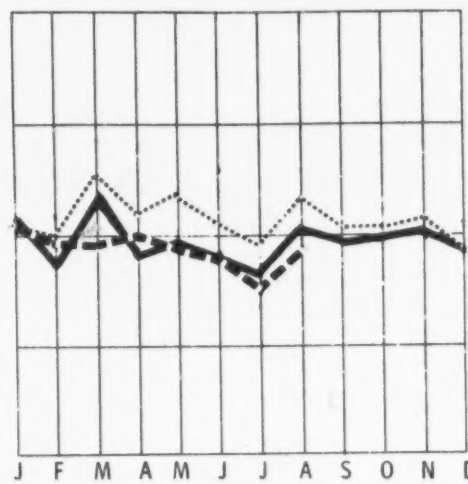
THOUSANDS OF TONS



THIN PAPERS

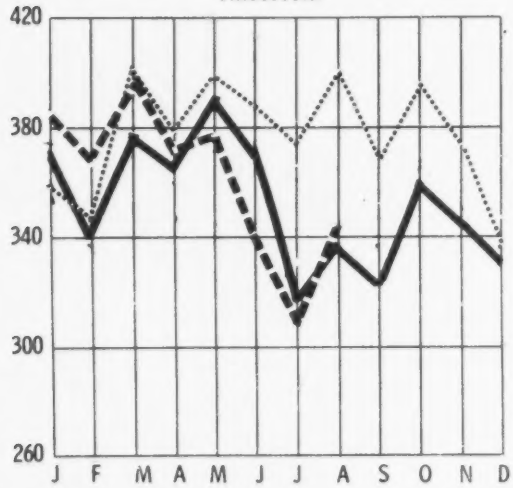
PRODUCTION

THOUSANDS OF TONS



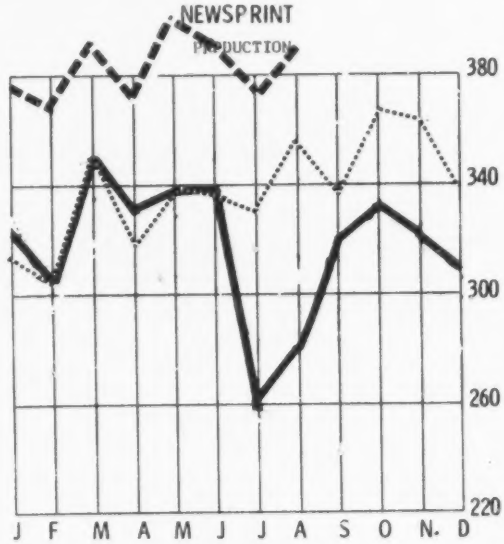
TISSUE PAPER

PRODUCTION



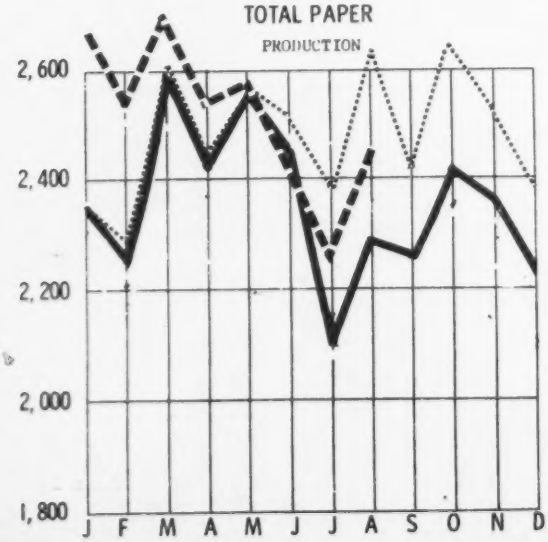
NEWSPRINT

PRODUCTION



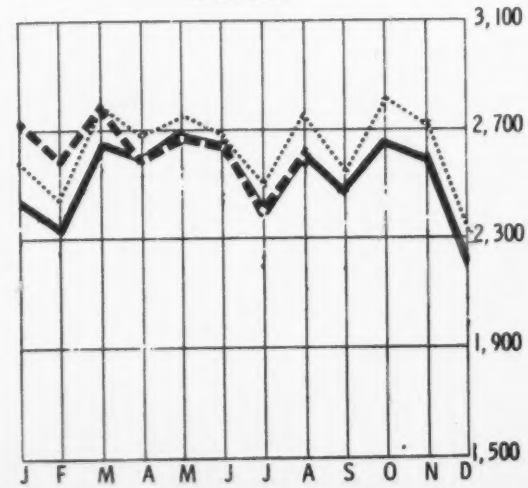
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1978 ——— 1979 ..... 1980 – – –

FIBROUS RAW MATERIALS (Continued)

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1978	YEAR 1979	APRIL 1980	MAY 1980	JUNE 1980	JULY 1980	Annual Rate Y-T-D 1980	% Change from same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	77025	78625	6677	6790	7365	6782	82990	8.4
	- Total Consumpt.	77290	79566	6762	6811	6969	6356	81393	1.9
	- Residues *	30369	30015	2294	2404	2651	2433	29213	-2.5
	- Inventories	6244	5506	5464	5425	5715	6114	6114	34.1
So. Atlantic	- Total Receipts	25353	26126	2274	2349	2426	2293	27418	5.8
	- Total Consumpt	25204	26523	2253	2267	2340	2196	27427	2.5
	- Residues *	8513	8858	722	730	766	745	8823	-0.9
	- Inventories	1191	1052	850	958	1049	1182	1182	37.6
Northeast	- Total Receipts	6664	7461	508	509	625	572	7632	4.4
	- Total Consumpt	6607	7584	659	622	611	493	7512	-1.9
	- Residues *	1662	1670	150	143	130	113	1635	-2.7
	- Inventories	770	674	706	587	598	665	665	11.4
South Central	- Total Receipts	25572	26654	2220	2194	2439	2298	27132	4.2
	- Total Consumpt	25678	26432	2209	2335	2333	2201	27108	1.1
	- Residues *	8418	8669	556	569	670	655	7702	-13.9
	- Inventories	1194	1472	1404	1268	1347	1456	1456	85.0
North Central	- Total Receipts	5291	5630	360	407	400	409	5832	10.7
	- Total Consumpt	5330	5535	448	461	441	378	5283	-6.4
	- Residues *	1456	1501	124	114	107	113	1407	-3.1
	- Inventories	968	993	1325	1255	1214	1221	1221	72.2
West	- Total Receipts	14145	12754	1315	1331	1475	1210	14976	24.6
	- Total Consumpt	14471	13492	1193	1126	1244	1088	14062	8.3
	- Residues *	10320	9317	742	848	978	807	9645	7.3
	- Inventories	2121	1315	1179	1357	1507	1590	1590	-1.0

* - Consumption of Residues in Cord Equivalents.
SOURCE: American Pulpwood Association

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1979 Tons	YEAR 1979 $000	JUNE 1980 Tons	JUNE 1980 $000	JULY 1980 Tons	JULY 1980 $000	Annual Rate Y-T-D 1980	% Change from same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	206050	8867	11083	677	17239	556	184395	2.6
Pulpwood Chips	1527734	30440	185039	4637	146749	3885	1789231	22.4
Wood Pulp, Total	4143944	1404354	316694	134561	276644	120412	3982817	-4.9
Waste Fibrous Materials, Total	104358	16281	8483	1513	11112	2019	130329	34.5
Paper,Paperboard&Products,Total	8501966	2779223	734166	270639	631839	235738	8681477	2.9
Paper, Paperboard,Wet Machine Bd & Constr. Paper & Bd. *	8457803	2725085	729915	265160	628459	231205	8622078	2.7
Paper, Total	8015574	2642945	683696	256142	580907	222672	8046662	1.0
Newsprint	7077209	2249470	630254	229470	539628	201638	7384901	5.0
Printing,Writing & Rel.Par.	799968	323175	47406	23112	35712	17605	574502	-27.2
Pack. & Ind. Conv. Paper	118815	57854	5627	3209	5393	3262	80097	-34.5
Special Industrial Paper	2544	2967	110	159	70	96	1304	-44.2
Tissue Paper	17039	9479	299	192	105	71	5859	-65.8
Paperboard, total	80636	17653	9646	2714	6606	1831	110967	50.2
Wet Machine Board	1522	703	117	57	110	65	1576	-4.4
Construction Paper and Bd. *	360071	63784	36456	6247	40837	6637	462873	30.5
Convtd Paper&Paperbd Products	44163	54138	4251	5479	3380	4533	59399	36.7

EXPORTS TO CANADA

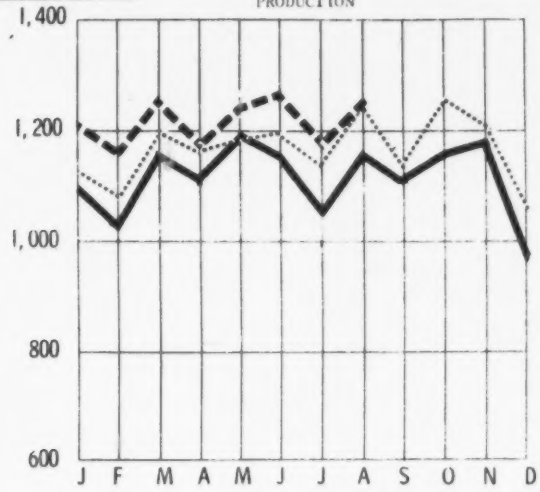
Pulpwood, Roundwood (in cords of 128 cubic feet)	263367	11446	15448	862	9868	583	145548	-55.8
Pulpwood Chips	87790	3790	1993	81	1036	53	23494	-76.4
Wood Pulp, Total	136641	49608	16984	4170	11673	5158	180171	41.5
Cotton Pulp & Other Pulp	7921	3728	573	322	811	472	13335	54.2
Waste Paper	478477	50207	36699	4174	27943	3191	509199	20.2
Paper,Paperboard&Products,Total	624928	353202	43313	30441	38325	26625	584976	-5.0
Paper, Paperboard, Wet Machine Bd & Constr. Paper & Board *	454029	248403	30392	20478	28094	18035	419589	-6.9
Paper, Total	181451	142407	15811	13656	16710	12754	212884	24.0
Newsprint	2803	1734	143	115	167	167	1867	-46.2
Printing,Writing & Rel.Par.	108290	76567	9340	7269	9595	6233	112502	7.3
Pack. & Ind. Conv. Paper	16084	10108	1008	1048	700	603	14303	-8.1
Special Industrial Paper	46773	48173	4594	4566	5638	5284	77570	100.3
Tissue	7502	5825	726	658	610	468	6642	-26.3
Paperboard, Total	230904	83021	12388	5714	9750	4416	173909	-25.2
Wet Machine Board	5262	9916	356	201	231	169	3825	-29.9
Construction Pap. & Bd. E *	36411	13059	1838	907	1403	697	28971	-29.9
Convtd Paper&Paperbd Products	170900	104799	12921	9964	10231	8590	165387	0.1
* - Hard Pressed Board (not in total)								
Imports of Hard Pressed Bd.	29771	5370	3352	596	3320	665	39540	86.7
Exports of Hard Pressed Bd.	20535	6878	1829	685	1365	428	19483	-13.3

SOURCE: Bureau of Census, Department of Commerce. E - Estimate of tonnage based on square foot data

UNBLEACHED KRAFT LINERBOARD

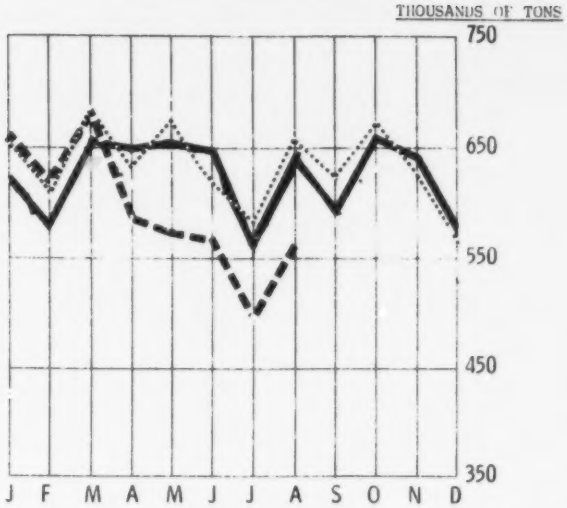
THOUSANDS OF TONS

PRODUCTION



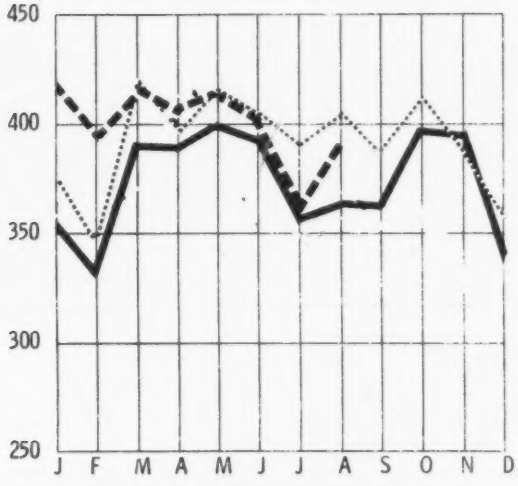
RECYCLED PAPERBOARD

THOUSANDS OF TONS



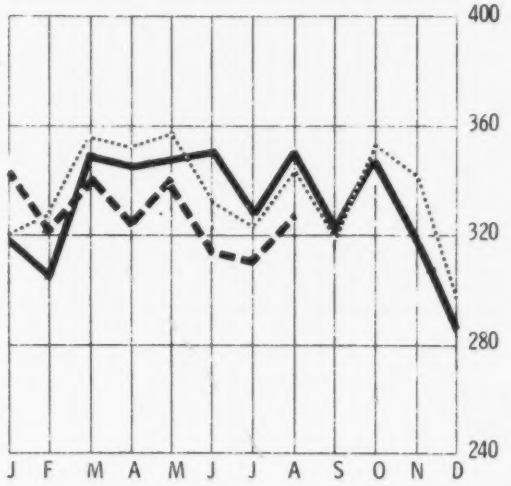
SEMI-CHEMICAL PAPERBOARD

PRODUCTION



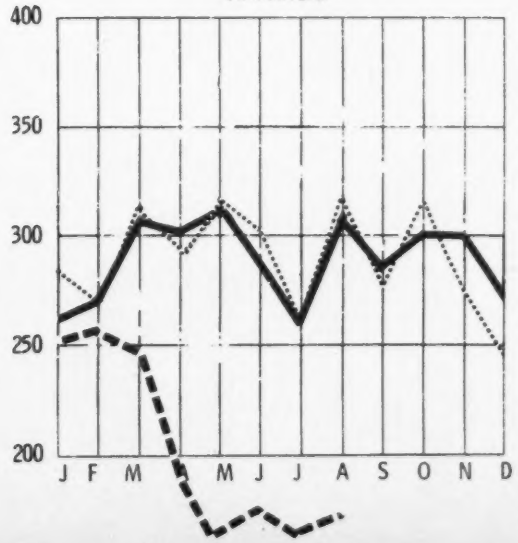
SOLID BLEACHED PAPERBOARD

PRODUCTION



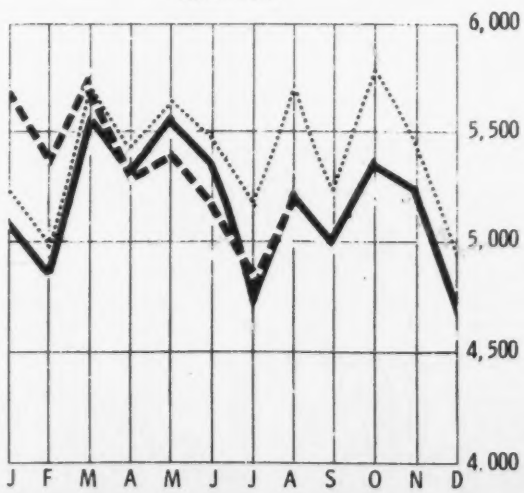
WET MACHINE BOARD AND BUILDING PAPER AND BOARD

PRODUCTION



TOTAL PAPER AND BOARD

PRODUCTION



1978 ——— 1979 ..... 1980 - - -

PULP, PAPER AND PAPERBOARD IMPORTS AND EXPORTS DATA

IMPORTS

	YEAR 1979 Tons	YEAR 1979 $000	JUNE 1980 Tons	JUNE 1980 $000	JULY 1980 Tons	JULY 1980 $000	(1) Annual Rate Y-T-D 1980	% Change from same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	206074	8869	11063	677	17239	556	184366	2.6
Pulpwood Chips	1574763	33413	185194	4639	146749	3885	1789517	16.0
Total All Imports	13562756	4697532	1125394	446782	960997	391873	13525219	-0.5
Wood Pulp, Total	4317522	1465169	335816	140787	285445	123761	4203960	-3.4
Waste Paper	78395	11189	6790	1313	6782	1236	95004	36.2
Other Fibrous Materials	43640	13149	2615	1030	4881	1288	44472	-4.8
Paper,Paperbd&Products,Total	9123200	3208025	780174	303652	663889	265589	9181583	0.7
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	9027147	2984896	771432	281033	656767	245742	9075367	0.6
Paper, Total	8559717	2896106	723157	271647	606131	236467	8471088	-1.2
Newsprint	7222701	2300450	640660	233815	549722	205849	7537123	4.8
Printing & Writing	1178507	511722	76168	33919	50228	26264	838895	-30.8
Uncoated Groundwood	804596	295996	50859	18058	29873	13160	545500	-32.0
Uncoated Book	142674	69291	14243	7667	9593	5312	129236	-21.7
Coated Print.& Impres. Pap	188846	108590	9730	5886	9297	5747	140004	-32.1
Bristols	2247	1243	17	18	35	25	1503	-46.6
Writing and Similar Paper	25220	24547	940	1849	1079	1405	15782	-31.8
Thin (except Cigarette)	14924	12057	379	441	352	615	6870	-50.2
Total Pks & Other Paper	141196	74212	6024	3706	6076	4284	88971	-41.0
Unbleached Kraft Paper	66816	24551	2820	1223	2485	975	37315	-50.1
Other Pks. & Indust. Paper	74380	49661	3204	2483	3591	3309	51656	-32.0
Tissue	17312	9722	305	207	105	71	6099	-65.3
Paperboard, Total	82203	19111	9670	2735	6653	1883	111739	47.2
Test or Containerboard	25725	6021	5239	1443	2813	790	53629	187.1
Semi-Chemical Corrugating	33494	5889	2044	418	1942	390	32557	-5.5
Other Paperboard	22984	7201	2387	875	1898	703	25552	12.1
Wet Machine Board	2345	1341	154	98	208	173	2352	-3.4
Construction Paper & Bd. &	382883	68338	38452	6553	43775	7220	490189	30.5
Building Paper	330147	56768	35962	5989	41236	6532	453309	39.8
Insulating Board	21682	4664	1477	341	1472	346	16988	-24.4
Other Building Board	31054	6906	1013	224	1067	341	19891	-31.5
Convtd Paper&Paperbd Products	96053	223129	8742	22618	7122	19846	106216	12.8
Paper Products, Total	90246	211682	8184	21411	6507	18593	99875	13.0
Paperboard Products, Total	5807	11447	558	1207	615	1254	6341	9.8
Notes								
Other: No Weight Avail. ($000)		82849		7366		7999	76751	-4.9
Total Imports Incl. Other($000)		4780381		454148		399872	5339371	14.8

EXPORTS

	YEAR 1979 Tons	YEAR 1979 $000	JUNE 1980 Tons	JUNE 1980 $000	JULY 1980 Tons	JULY 1980 $000	(1) Annual Rate Y-T-D 1980	% Change from same Period Last Year
Pulpwood, Roundwood (in cords of 128 cu. ft.)	263721	11473	16248	892	11909	673	162307	-50.8
Pulpwood Chips	4498674	197847	439761	37889	404893	43769	4642207	8.4
Total All Exports	8971708	3348409	1080056	450721	1070253	441730	11507946	35.4
Wood Pulp,Total	2934815	1103783	361990	157092	356328	163062	3768507	37.1
Cotton Pulp and Other Pulp	131444	74579	17683	11869	10920	7183	176040	35.1
Waste and Old Paper	2233246	256107	253399	35043	220257	28849	2848258	36.9
Paper, Paperbd&Products, Total	3672203	1913940	446983	246718	482748	242637	4715140	33.2
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	3109859	1328320	392294	179435	433306	185417	4075006	35.9
Paper, Total	600874	507569	63095	56187	86695	63114	812896	46.1
Newsprint	71456	32046	6715	3508	27353	13816	156313	178.0
Printing & Writing	274608	233371	28350	24735	30099	23687	302259	11.4
Uncoated Groundwood	80392	55384	10662	6970	11538	7193	90806	12.7
Clay Coated Paper	73521	57743	6353	5380	6020	2649	79806	13.6
Uncoated Free Sheet	68159	64146	6922	7599	7566	7889	75323	11.3
Other Printing & Writing	52536	56098	4413	4787	4976	5956	56324	6.7
Total Pks. & Other Paper	226906	218218	21619	21787	25286	22056	298591	47.5
Unbleached Kraft	63695	27079	9069	4032	11182	5078	117977	121.4
Other Pks. & Indust. Paper	163211	191138	12550	17755	14105	16978	180614	21.1
Tissue	27905	23934	6411	6157	3956	3554	55734	108.8
Paperboard, Total	2446972	789902	323856	120362	342961	120234	3197121	34.5
Solid Wood Pulp	2271161	712276	307573	111592	330281	114062	3025122	37.5
Total Linerboard	1644901	434515	240620	78877	276959	86862	2258672	40.9
Bleached Kraft Linerboard	179995	51186	21018	7459	15463	5384	194126	0.9
Unbleached Kraft Linerbd	1464906	383330	219602	71418	261496	81478	2064547	46.4
Other Unbleached Kraft	100301	33739	14498	5866	14568	6201	174023	102.9
Other Bleached Kraft	508601	238813	49990	26067	38724	20970	577331	16.4
Semi-Chemical Corrugating	17358	5208	2464	781	30	30	15095	-2.1
Recycled Paperboard	175811	77626	16284	8770	12680	6172	171999	-3.1
Wet Machine Board	7371	5146	570	412	542	368	7248	-8.4
Construction Paper & Bd. &	54642	25704	4773	2474	3109	1701	57741	0.8
Building Paper	34020	14420	2997	1336	1041	665	26438	-25.2
Insulating Board E	20623	11284	1776	1138	2067	1036	31303	42.7
Convtd Paper&Paperbd Products	562343	585620	54690	67283	49442	57220	640134	18.2
Paper Products, Total	332407	427080	35037	50331	28483	42154	395096	24.7
Paperboard Products, Total	229936	158540	19652	16952	20959	15066	245038	9.2
Notes								
Other: No Weight Avail. ($000)		9803		999		734	11045	44.5
Total Exports Incl. Other($000)		3358212		451721		442465	4588934	47.3
& Hard Pressed Board (not in total)								
Imports of Hard Pressed Board	262229	39607	16143	2886	11649	2281	183345	-29.2
Exports of Hard Pressed Board	32030	11223	2136	821	1757	603	26791	-13.4

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PAPER AND PAPERBOARD PRODUCTION

CENSUS DATA

(Thousands of Tons)

	YEAR 1978	YEAR 1979	MARCH 1980	APRIL 1980	MAY 1980	JUNE 1980	Annual Rate Y-T-D 1980	% Change from same Period Last Year
PAPER					R	P		
Newsprint	3489	3797	377	381	390	370	4553	24.7
Uncoated Groundwood Papers	1569	1674	126	122	125	130	1474	-12.3
Coated Papers	4513	4675	416	394	388	370	4737	3.3
Uncoated Free Sheet (1)	7315	7508	705	674	688	667	8162	9.3
Cotton Fiber Paper (1)	119	127	10	11	10	10	131	-0.8
Thin Papers	350	376	31	30	28	28	354	-7.9
Bleached Bristols	1127	1114	89	86	91	81	1059	-6.3
Tissue Paper	4245	4310	375	367	357	338	4333	0.7
Unbleached Kraft Packaging & Industrial Conv. Papers(1)	3873	3923	330	318	320	297	3902	1.4
Other Paper (1)	1905	1791	152	141	134	126	1767	0.4
TOTAL PAPER GRADES	28505	29295	2609	2523	2531	2416	30474	5.3
PAPERBOARD								
Solid Wood Pulp Furnish	22500	22833	2101	1921	2051	2012	24091	6.0
Unbleached Kraft Linerboard	13215	13685	1258	1143	1218	1224	14342	4.8
Other Unbl. Kraft Paperboard	898	1014	116	91	89	92	1126	6.5
Bleached Kraft Paperboard	4002	3934	343	327	374	323	4085	6.8
Semi-Chemical Paperboard	4384	4200	384	360	371	373	4539	9.2
Recycled Paperboard	7534	7240	647	576	548	552	7197	-1.0
TOTAL PAPERBOARD GRADES	30034	30073	2748	2497	2600	2564	31288	4.3
WET MACHINE BOARD	136	144	13	10	8	9	131	-0.3
CONSTR. PAPER & INSUL. BOARD	3332	3322	235	176	160	166	2439	-28.5
TOTAL ALL GRADES [Excl. H.P.B.]*	62006	62834	5605	5207	5298	5155	64333	3.0

PRODUCER PRICE INDEXES

1967 = 100

	1978	1979	MAY	JUNE	JULY	AUG.		
Pulp, Paper and Products	195.6	219.0	248.9	251.3	252.4	252.2	246.5	14.9
Pulp, Paper & Products, excl. Waste Paper #	195.6	219.2	249.3	251.1	253.4	253.2	246.9	15.0
Total Wood Pulp	266.5	314.3	388.0	388.0	388.6	388.6	376.1	23.4
Total Paper	206.1	229.6	256.5	258.3	258.5	258.5	253.5	12.6
Total Paper, exc. Newsprint	199.4	222.8	249.5	249.9	250.1	250.6	246.3	12.6
Newsprint	226.3	249.9	277.6	283.7	283.7	N.A.	274.7	12.6
Total Paperboard	179.6	202.1	239.2	242.7	237.5	238.1	232.8	18.1
Total Paper and Paperboard #	197.8	220.9	251.1	253.4	251.9	252.3	247.1	14.2
Converted Products	186.5	209.9	236.1	239.3	242.4	242.0	235.8	14.6
Waste Paper	191.2	206.6	226.1	206.6	194.4	193.8	216.8	6.8
All Commodities	209.3	235.5	263.7	265.2	269.8	273.1	264.0	14.7
Industrial Commodities	209.4	236.4	271.2	273.0	275.6	277.3	270.4	17.6

(1) - Grade definitions revised by Census as of January 1979. New grades now consistent with API definitions. 1977 and 1978 Census data adjusted by API for comparability with 1979. N.A. - Not Available

* See page 3 for Hard Pressed Board data. # Computed by API P-Preliminary R-Revised

SOURCES: Production - Bureau of Census, U.S. Department of Commerce

Producer Price Indexes -Bureau of Labor Statistics, U.S. Department of Labor

ton level in April 1980, reached 447,000 tons in June, and made a record high of 483,000 tons in July.

The major tonnage increase in exports has been in the paperboard grades. Kraft linerboard exports in the first seven months of 1980, at 2.3 million tons per year, were 41% over the year-ago total. Exports of bleached kraft paperboard in that same period, at 577,000 tons per year, were up 16%. Exports of paper in the first seven months of 1980, at 813,000 tons per year, were 46% above their year-ago level.

Wood pulp exports made a new high in June at 362,000 tons and held near that, at 356,000 tons, in July. For the first seven months of 1980 wood pulp exports were at a rate of 3.8 million tons per year, some 37% over their year-ago rate.

New Supply

With imports and production both down from first quarter levels in the second quarter of 1980 and exports up sharply, the rate of new supply in the second quarter of the year, at 66.8 million tons per year, was 6% below the first quarter peak of 71.3 million tons per year. Total economic activity, as measured by the real gross national product, fell 2-½%, and the ratio of new supply to real GNP dropped from 49,350 tons per billion dollars in the first quarter of 1980 to 47,440 in the second quarter. The first half 1980 average of 48,400 tons per billion dollars of real GNP was close to the 1976-1979 average of 48,500 tons.

The annual rate of paper and paperboard production in the third quarter, based upon the reported total for July and August and the weekly data on production through mid-September, probably will be only about 61 million tons per year, even with a strong support given by demand for exports. This suggests that the rate of new supply will fall another 5% or 6% from the second quarter level, while the real GNP appears to be flattening.

These figures on new supply and general economic activity suggest that the rate of new supply in the third quarter of 1980 is about 7% below the rate of consumption of paper, paperboard and products. If, as expected, the economic activity continues to hold near its current level for the remainder of the year, the

Continued on page 12

Continued from page 11

possibility of a rebound in paper and paperboard production in the latter months of 1980 is rather strong, inasmuch as inventories of paper, paperboard and products in the channels of distribution have not been particularly high.

Capital Expenditures

In mid-September, the Department of Commerce released revised estimates of capital spending by business for 1980. The new estimate shows that U.S. businesses plan to spend $192.5 billion in new plant and equipment in 1980, 8.7% more than in 1979. In June 1980, the Department of Commerce had expected businesses to spend 9.9% more, and last March, they had indicated an 11.1% increase.

In their new report, Commerce reported that paper companies would spent $6.06 billion on new plant and equipment in 1980, 24% more than the $4.88 billion they spent in 1979. Last June Commerce had estimated that paper companies would spend $60.4 billion. While the difference in the estimates is, of course, quite small, paper is one of the few industries to show an increase from the earlier estimates.

These estimates are consistent with data on capital appropriations for paper industry companies published by The Conference Board. While The Conference Board showed that capital appropriations in the second quarter of 1980 for those paper companies included in the 1,000 largest companies in the United States fell sharply, to $617 million in the second quarter of 1980, compared to $1.6 billion in the first, they also showed that first half total of $2.2 billion was ahead of the 1979 average rate. They also reported that as of the end of the second quarter of 1980 these companies had a closing backlog of unspent capital appropriations of $4.6 billion.

The huge backlog of unspent appropriations also suggests that paper industry capital expenditures will continue at high levels for at least the next two or three quarters.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

SEPT. 24,1980

	PRODUCTION (000 TONS)					
	Aug. 1980	July 1980	Aug. 1979	Jan - Aug. 1980	Jan - Aug. 1979	% Change 80/79
PAPER GRADES	P	R				
Newsprint	412	375	357	3100	2654	16.8
Uncoated Groundwood (s)	124	115	133	1005	998	0.6
Coated Paper (s)	384	340	407	3066	3005	2.0
Uncoated Free Sheet Paper (s)	645	590	695	5364	5196	3.2
Thin Paper (c)	28	26	33	231	255	-9.3
Cotton Fiber Paper (s)	9	8	11	82	83	-1.0
Bleached Bristols (s)	81	78	87	673	684	-1.7
Tissue Paper	345	311	399	2902	3032	-4.3
Unbleached Kraft Packaging & Indl. Converting (s)	300	282	335	2544	2640	-3.6
Other Paper (c)	125	110	158	1119	1175	-4.8
TOTAL PAPER	2453	2234	2613	20085	19721	1.8
PAPERBOARD GRADES						
Kraft Linerboard, Unbleached	1251	1172	1232	9670	9288	4.1
Other Kraft Paperboard	80	70	94	704	842	-16.4
Semichemical Paperboard	387	362	406	3209	3148	2.0
Bleached Paperboard	328	309	337	2634	2700	-2.4
Recycled Paperboard	566	498	661	4692	5095	-7.9
TOTAL PAPERBOARD	2612	2410	2730	20910	21072	-0.8
CONSTRUCTION & WET MACH GRADES(c)	179	168	317	1632	2349	-30.5
TOTAL PAPER AND PAPERBOARD	5243	4812	5660	42627	43142	-1.2
HARD PRESSED BD.[not in total](c)	145	140	194	1103	1432	-23.0

WOOD PULP (ALL GRADES)	July 1980	June 1980	July 1979	Jan - July 1980	Jan - July 1979	% Change 80/79
Dissolving & Special Alpha	111	126	125	913	838	8.9
Bleached Sulphite	101	122	111	830	767	8.3
Unbleached Sulphite	29	34	31	228	231	-1.4
Bleached & Semi-Bl. Sulph.	1473	1568	1457	11175	10444	7.0
Unbleached Sulphate	1591	1728	1631	11828	11654	1.5
Semichemical	306	342	333	2393	2354	1.7
Groundwood and Thermo-Mechanical	366	386	353	2638	2534	4.1
TOTAL PULP DIVISION DATA	3977	4307	4042	30004	28822	4.1
Defib. Exploded & Scrngs E	180	177	250	1296	1761	-26.4
TOTAL WOOD PULP PRODUCTION	4157	4484	4292	31300	30582	2.3

Note: Paperboard cumulative totals include revisions not available monthly.

(s) - Shipments R - Revised E - Estimate
P - Preliminary (c) - Census Data - Production, last 2 months estimated.

September 26, 1980

	Full Year		INDUSTRY DATA 1980 R	R	P	Ann. Rate Year - To - Date	% From Same Pd. Last Yr.
PAPER AND PAPERBOARD -- Tons (000)	1978	1979	June	July	August		
Total Production (API).....	62109	64555	5205	4812	5243	63941	-1.2
Total Seasonally Adjusted.... excluding			5241	5004	5041	63225	-1.5
Imports (including Products). hard pressed	9117	9123	780	664	685	9061	1.5
Exports (including Products). board	3373	3672	447	483	460	4816	36.7
Apparent Consumption.....	67854a	70006b	5574	5185	5266	67471c	-3.4
Paper Production % Tonnage Capacity.....	93.1s	93.2s	88.6	78.5	86.3	92.4sh	-
Paperboard Production % Tonnage Capacity.....	92.8s	94.2s	92.5	81.6	88.8	91.5s	-
			May	June	July		
MARKET WOOD PULP PRODUCTION - Tons (000).....	5126	5667	572	547	542	6541	20.3
TOTAL WOOD PULP PRODUCTION - Tons (000)..(f)....	47228	49743	4447	4307	3977	51436	4.1
WOOD PULP IMPORTS - TONS (000).....	4025	4318	373	336	285	4204	-3.4
WOOD PULP EXPORTS - TONS (000).....	2599	2935	317	362	356	3769	37.1
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS			May	June	July		
Wood Pulp..(k).....	47911	50156	4351	4174	3780	50247	0.5
Waste Paper....(d).....	14760	15400	1185	1109	1034	14299	-1.5
Other (Census).....E	778	643	49	43	40	593	-9.7
Total.....	63449	66199	5585	5326	4854	65140	-0.1
..WOOD PULP - NON PAPER.....E	884	909	68	70	65	843	-8.2
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	77290	79566	6811	6969	6356	81393	1.9
EMPLOYMENT (000)			June	July	August		
Paper and Allied Products.....Total.....	700.9	706.7	695.0	682.3	689.2	695.6	-1.4
Pulp, Paper and Board Mills.....Total.....E	267.4	271.7	270.8	269.9	271.0	270.1	-0.4
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products.....	6.52	7.12	7.79	7.98	7.98	7.70	10.3
Pulp, Paper Mills.....E	7.44	8.26	8.99	9.31	9.31	8.94	11.0
Paperboard Mills.....E	7.68	8.38	9.26	9.47	9.47	9.11	11.1
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1980 Q1	1980 Q2	1980 Q3		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)s	3.46	4.88	5.91	6.13	5.84	6.06w	24.2
INDEX OF OUTPUT PER MAN-HOUR (1967=100).....			June	July	August		
:IN PULP, PAPER :...Production Workers.....	159.2	163.9	164.1	157.5	157.0	164.9	1.3
:AND BOARD MILLS:...All Employees.....	153.5	157.8	156.7	149.7	150.1	157.7	0.6
PAPER AND ALLIED PRODUCTS (Million $)			May	June	July		
Industry Shipments (Dept. of Commerce)s.....	57654	66033	5649	5756	5968	70275	7.5
Pulp, Paper and Paperboards.....	25343	30165	2661	2798	2743	32986	12.0
Inventories (End of Period) - Total Industrys.	5875	6779	7479	7598	7482	7482	19.8
Pulp, Paper and Paperboards.....	2006	2321	2604	2656	2674	2674	26.7
			1979 Q4	1980 Q1	1980 Q2		
Sales (Corporations Only, FTC).....	48982	55359	14401	14682	14522	58408	8.9
Earnings (Corporations Only, FTC).....	2598	3724	778	795	803	3196	-10.4
Depreciation (Corporations Only, FTC).....	1726	1896	489	504	510	2028	9.5
Net Worth (Corporations Only, FTC).....	20794	23206	23206	24002	24469	24469	12.2
PRICE INDEXES (Bureau of Labor Stats)1967=100			June	July	August		
Total Pulp, Paper and Allied Products.....	195.6	219.0	251.3	252.4	252.2	246.5	14.9
Wood Pulp.....	266.5	314.3	388.0	388.6	388.6	376.1	23.4
Waste Paper.....	191.2	206.6	206.6	194.4	193.8	216.8	6.8
Paper.....	206.1	229.6	258.3	258.5	258.5	253.5	12.6
Paperboard.....	179.6	202.1	242.7	237.5	238.1	232.8	18.1
PAPER DEMAND (INDEXED: 1967=100)			June	July	August		
Total Paper Production s.....	135.6	141.7	139.9	134.4	137.2	142.8	1.4
Paper New Supply s.....	132.9	137.2	133.4	125.2	129.7	136.5	-0.4
Total End - Use Index s.....	139.5	144.7	141.5	141.2	141.6	143.8	-0.5
Production of Nondurable Goods s...(19%)..	157.0	164.1	155.3	153.4	154.0	159.9	-2.3
Disposable Income (Constant $) s...(23%)..	145.2	148.5	146.6	148.2	148.4	148.0	-0.4
Total Printing and Publishing s...(58%)..	131.5	136.8	134.9	134.5	134.9	136.8	0.0
Trend Factor				Not Available			
PAPERBOARD DEMAND (INDEXED: 1967=100)							
Total Paperboard Production s.....	132.8	137.9	138.2	130.9	130.2	135.3	-1.1
Production for Domestic Use	131.1	135.5	129.7	121.0	118.5	129.0	-4.2
Total End - Use Index s.....	147.7	152.0	141.4	139.9	140.4	145.6	-4.4
Production of Consumer Goods s...(60.49%)	149.1	150.6	142.2	141.6	141.7	144.8	-4.3
Production of Equipment s...(6.62%)	132.8	142.2	142.1	141.8	141.6	144.3	2.1
Production of Materials s...(32.89%)	148.3	156.4	139.8	136.5	137.8	147.3	-5.8
Trend Factor				Not Available			
NEWSPRINT MARKETS			May	June	July		
Consumption by Publishers - Tons (000).....	10872	11240	947	901	839	10858	-0.8
Newspaper Pub. and Printing Empl. Total(000)..	407.4	423.0	431.1	433.7	431.6	431.6	2.8
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (LNA, Inc.).....	115090	116636	11034	9308	7278	110542	2.5
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	17586	19721	1762	1732	1724	21276	11.0
Inventories (End of Period)	1482	1695	1777	1803	1768	1768	10.0
Paper Only.....Sales	13078	14788	1317	1306	1260	15744	9.3
Inventories (End of Period)	1025	1141	1196	1242	1216	1216	12.7
RETAIL TRADE (Million $)			June	July	August		
Total Retail Sales s.....	799054	884407	76001	78394	79533	926276	6.7
Nondurable Goods Stores Sales s.....	518190	576882	52789	53254	53787	630192	11.9
GENERAL ECONOMIC DATA							
TOTAL INDUSTRIAL PRODUCTION (INDEX 1967 = 100)s.	146.1	152.5	141.4	139.8	140.5	146.4	-4.0
PRODUCER PRICES(ALL COMMODITIES)(INDX 1967=100).	209.3	235.5	265.2	269.8	273.1	264.0	14.7
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)..	195.4	217.4	247.6	247.8	249.4	242.7	14.0
			May	June	July		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $).	275.6	311.3	303.8	301.4	301.8	301.8	2.3
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billions).			1979 Q4	1980 Q1	1980 Q2		
G.N.P. or Expenditure - Current $.....	2127.6	2368.8	2456.9	2520.8	2521.3	2521.0	9.1
G.N.P. OR Expenditure - 1972 $.....	1399.2	1431.6	1440.3	1444.7	1408.6	1426.6	0.0

lb/capita Popul.(mil)
.a - 621 218.7
.b - 635 220.6
.c - 607 222.2
.d - 1977 - 12103; 1978 - 12481
. 1979 12936; Ja-Jn'80A.R.12702
. (000 tons) as pub. by Census
.E - Last month estimated by API

f - Wood Pulp Production excludes estimates for def. expl. & scrnss. Prod. was: 1978 - 3,140; 1979 - 3,018; 1980 A.R.Y-T-D 2,222 (000 tons)
s - Adjusted for holiday shutdowns
h - Adjusted to conform with API Division data
k - Excludes consumption of defib. & expl. pulp for hard p. bd.: '78 - 1,666; '79 - 1,593 (000 tons)

N.A. - Not Available
P - Preliminary
Q - Quarter
R - Revised
RS - Revised Series
w - Full year estimated by U.S. Dept. of Commerce
$ - Seasonally adjusted